SUN DIRECT TV PVT. LTD.
CIN U92132TN2005PTC055398

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Sub: ***Submission of Comments on behalf of Sun Direct TV Private Limited to the Draft Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) (Seventh Amendment) Regulations, 2025 released by the Telecom Regulatory of India.***

Dear Madam,

At the outset, we would like to thank your good self for giving us an opportunity to tender our comments on *the Draft Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) (Seventh Amendment) Regulations* dated September 22, 2025 **("Draft Regulations").**

With regard to the present consultation process, we hereby submit that we have perused the said Draft Regulations and we hereby submit our comments as attached in the Annexure. The said comments are submitted without prejudice to our rights and contentions, including but not limited to our right to appeal and / or any such legal recourse or remedy available under the law and equity.

The same are for your kind perusal and consideration

Yours sincerely
For Sun Direct TV Private Limited

SUN DIRECT TV PRIVATE LIMITED CHENNAI 600 028

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COMMENTS ON BEHALF OF SUN DIRECT TV PRIVATE LIMITED TO THE DRAFT TELECOMMUNICATION (BROADCASTING AND CABLE) SERVICES INTERCONNECTION (ADDRESSABLE SYSTEMS) (SEVENTH AMENDMENT) REGULATIONS, 2025:

(a) for sub-regulation 15 (1), the following sub-regulation shall be substituted, namely: -

(1) Every distributor of television channels shall get its addressable system of distribution platform, such as subscriber management system (SMS), conditional access system (CAS), digital rights management (DRM) system, and other related systems audited once every year, for the preceding financial year, by an auditor to verify the information contained in the monthly subscription reports made available by the distributor to the broadcasters, and the distributor shall take all necessary measures in advance to ensure that the audit report for the preceding financial year is shared with broadcasters, with whom it has entered into interconnection agreements, by the 30th September every year:

Comments: We submit that the proposed fixed deadline of 30th September imposes an impractical administrative and resource burden. DTH operators manage millions of daily subscriber transactions and maintain extensive data validation and reconciliation systems. Finalizing audit data coincides with other statutory and tax filing obligations, including GST, income tax, and financial audits. TRAI may consider extending the deadline for submission of audit reports to 31st December of the subsequent financial year to ensure sufficient time for accurate, error-free, and quality reporting, without compromising compliance integrity.

15(a)(1) First Proviso:

Provided that the Authority may empanel auditors for the purpose of such audit and it shall be mandatory for every distributor of television channels to get the audit conducted, under this sub-regulation, from M/s Broadcast Engineering Consultants India Limited, or any of such empanelled auditors:

Comments: We submit that reiteration of BECIL or TRAI-empanelled auditors as exclusive authorized auditors is redundant. The industry already adheres to the requirement of engaging only authorized entities for annual audits. Mandating specific institutions or categories offers no additional regulatory safeguard but restricts flexibility in engaging equally competent and accredited third-party auditors. Regardless of BECIL or TRAI-empaneled auditors, they are all bound by the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI). This Code sets out the fundamental principles and standards of professional conduct expected of Chartered Accountants in India. Any deviation or non-compliance with these ethical standards is treated as professional misconduct under the Chartered Accountants Act, 1949, and is subject to disciplinary action by the ICAI.

15(a)(1) Second Proviso:

Provided further that the distributor shall inform the broadcaster, with whom it has entered into an interconnection agreement, at least thirty days in advance, the schedule of audit and the name of the auditor:

Comments: This provision poses both operational and confidentiality challenges. The DTH Operators audit timelines are dynamic and dependent on data readiness and system availability; fixing a 30-day advance notice period removes necessary flexibility. Further, disclosure of the auditor's identity and audit schedule to broadcasters—who are commercial counterparts—creates potential confidentiality and independence risks. The existing requirement to share the final certified audit report already ensures full transparency. Hence, the proposed proviso should be omitted or suitably modified to avoid procedural rigidity and protect audit integrity.

15(a)(1) Third Proviso:

Provided also that the broadcaster may depute one representative to attend the audit and share inputs of the broadcaster for verification during the audit process and the distributor shall permit such representative to attend the audit:

Comments: This provision poses a serious confidentiality and data security risk. DTH operators' systems contain proprietary commercial data, including subscriber details, package configurations, and internal control processes. Allowing a broadcaster's representative, who is a commercial counterparty to be physically or virtually present during the audit exposes sensitive business information and undermines system integrity. Independent TRAI-authorized auditors already ensure objectivity and compliance verification, making broadcaster's representative attendance unnecessary and intrusive, which will delay and compromise the integrity of the audit process.

15(a)(1) Forth Proviso:

Provided also that it shall be optional for distributors of television channels, whose active number of subscribers, on the last day of the preceding financial year, do not exceed thirty thousand, to get the audit conducted under this regulation:

Comments: While the intent to reduce compliance burden for small operators is appreciated, the proposed exemption creates a non-uniform and discriminatory compliance regime. Transparency and accurate subscriber reporting are fundamental to the interconnection framework and should apply equally to all distributors, regardless of size. Exempting small DPOs increases the risk of subscriber under-reporting or revenue leakage, which could distort market fairness and affect both regulators and broadcasters.

15(a)(1) Fifth Proviso:

Provided also that the empanelled auditor or M/s Broadcast Engineering Consultants India Limited, conducting the audit of the addressable systems, shall furnish the audit report along with an audit certificate to the distributor confirming that the auditor is independent of the auditee and that the audit was conducted in accordance with the provision of the regulations, and the auditor shall also furnish such other information or certification as may be specified by the Authority from time to time:

Comments: While independence certification is a sound requirement, mandating auditors to furnish "such other information or certification as may be specified by the Authority from time to time" introduces open-ended compliance obligations without defined limits or notice

requirements. This could lead to unpredictable reporting formats or additional certifications beyond the scope of the audit engagement, creating administrative uncertainty for both auditors and distributors. Furthermore, reiterating the inclusion of M/s BECIL alongside TRAI-empanelled auditors unnecessarily narrows the choice of qualified professionals, limiting flexibility, and incur additional costs and may lead to unnecessary time overruns without any clear regulatory benefit.

Regulation 15(a)(1) Sixth Proviso:

Provided also that after coming into effect of these regulations, the unaudited period, if any, preceding to the financial year for which the audit is being conducted, shall also be included in the audit."

Comments: Including past unaudited periods retrospectively imposes significant operational and resource burdens on distributors. Historical system data may reside on legacy platforms or archived storage, making retrieval, reconciliation, and verification highly complex and time-consuming. Moreover, the regulations did not earlier mandate retrospective audits, and thus applying this requirement now would have a retroactive effect, contrary to settled regulatory principles. It also risks duplicative audits and inconsistent reporting between past and current financial years.

Regulation 15 (1) (b) in sub-regulation (1A), for the word "calendar", the word "financial" shall be substituted;

Comments: substitution of "calendar" with "financial" creates significant and unnecessary operational disruption for DTH operators. Our subscriber billing, packaging, and commercial reporting are fundamentally structured around a Calendar Year (Jan-Dec) cycle, not the Financial Year. Forcing this audit period change requires a costly, complex re-engineering of proprietary IT and data systems and creates a concurrent administrative crunch, as this audit must now be rushed alongside other major financial and tax filings, increasing the risk of errors and non-compliance with minimal demonstrated benefit to transparency.

(b) for sub-regulation (2), the following sub-regulation shall be substituted, namely:-

Regulation 15(2)(a):

In case a broadcaster has received the audit report by the due date of 30th September under sub-regulation (1) and finds discrepancy in such audit report, it may point out the same, in writing, to the distributor of television channel from whom the audit report has been received, citing specific observations with evidence against audit report, within thirty days of receipt of audit report, and may provide a copy of the observations with evidence to the concerned auditor:

Comments: The current framework already provides adequate checks through independent empanelled auditors. Reopening and revalidating audit results repeatedly may compromise finality and increase administrative burden on distributors. In case of discrepancy, the broadcaster may raise specific written observations supported by evidence within 30 days of receipt of the audit report, and the distributor shall facilitate review by the auditor within a reasonable period, not exceeding 30 days, to ensure timely closure.

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Regulation 15(2)(a) First Proviso:

Provided that the distributor, on receiving observations from broadcaster shall refer the same to the auditor concerned, within seven days of its receipt, to examine and address the observation and the auditor shall address the observations of the broadcaster and provide its updated audit report to the distributor within a period of thirty days which the distributor shall forward to the broadcaster within seven days of its receipt:

Comments: The proposed timelines (7 days for distributor and 30 days for auditor) are overly stringent and do not account for the practical time needed to examine complex technical and transactional data. In many cases, addressing broadcaster observations involves technical data extraction, validation, and system verification, requiring coordination between multiple teams. Impractical timelines could lead to incomplete responses or procedural lapses.

Regulation 15(2)(a) Second Proviso:

Provided further that if the broadcaster finds that its observations are not addressed completely, the broadcaster may report to the Authority its specific observations with evidence within thirty days of receipt of updated audit report:

Comments: A second-level escalation to the Authority should be limited to substantial or material discrepancies rather than all residual disagreements, to prevent overburdening both the Authority and stakeholders. Moreover, TRAI, being a regulatory authority, is not empowered to adjudicate disputes arising from substantial or material discrepancies in the audit report. Such grievances between the broadcaster and the distributor fall under the jurisdiction of the Telecom Disputes Settlement and Appellate Tribunal (TDSAT).

Regulation 15(2)(a) Third Proviso:

Provided also that the Authority shall examine the case on merits, at the fees and costs to be borne by the broadcaster, as may be specified by the Authority and, if found necessary, may permit the broadcaster to get a special audit conducted at the cost of broadcaster to ascertain the discrepancies pointed out by the broadcaster:

Comment: The clause appropriately ensures broadcaster accountability for costs but lacks clarity on the process and scope of Authority intervention. There should be clear parameters defining when the Authority may permit special audits, to prevent frequent and unnecessary re-audits that could disrupt operations.

Regulation 15(2)(a) Forth Proviso:

Provided also that in case of special audit, by broadcaster, the broadcaster shall give names of three auditors, from amongst M/s Broadcast Engineering Consultants India Limited and the empanelled auditors, to the distributor and the distributor shall choose one auditor for the special audit, within fifteen days, failing which broadcaster shall approach the Authority for selection of the auditor.

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Comment: The selection process should maintain neutrality and fairness, ensuring neither party gains undue influence over the choice of auditor. Allowing the broadcaster to propose all three names may affect perceived independence. A balanced approach would ensure joint participation in auditor nomination.

Regulation 15(2)(b)(i)

(2) (b) In case a broadcaster does not receive the audit report of the preceding financial year by the due date of 30th September –

(i) where the distributor of a television channel fails to share the audit report of the preceding financial year, under sub-regulation (1), with the broadcasters, with whom it has entered into interconnection agreement, by the 30th September of the year in which the audit was due to be conducted, it shall be permissible to the broadcasters either jointly or severally, after informing the distributor, in writing, to get the audit of the addressable system of such distributor of television channels done, at the cost of broadcaster.

Comment: This provision unfairly shifts responsibility and cost to broadcasters for a compliance lapse of the distributor, even though such audits are regulatory obligations of distributors. The audit under Regulation 15(1) is a compliance requirement for distributors, not broadcasters. Imposing the audit cost on broadcasters when the distributor defaults effectively penalizes the wrong party and creates a perverse incentive for distributors to delay audits.

Regulation 15(2)(b)(ii)

Where the audit is optional under sub-regulation (1), it shall be permissible to the broadcasters either jointly or severally, after informing the distributor, in writing, to get the audit of the addressable system done, at the cost of broadcasters.

Comments: For distributors with small subscriber bases where audits are optional, the proposed clause may result in unnecessary and frequent audits by multiple broadcasters, creating disproportionate compliance costs and duplication. Optional audits were introduced to ease compliance burden on small distributors. Allowing broadcasters to override this optionality defeats that regulatory intent and could financially strain small operators.

Regulation 15(2)(c)

(a) there is a discrepancy in subscriber numbers, it may be settled as per provisions in the interconnection agreement between broadcaster and the distributor;

Comments: This clause commoditizes regulatory compliance, preventing definitive resolution and judicial finality. The mandatory audit is a statutory tool, and its findings on subscriber discrepancies must lead to a standardized resolution enforced by TRAI or TDSAT, not left open to protracted commercial renegotiation. Relying on variable interconnection agreement clauses creates an avenue for endless disputes and commercial leverage against the DTH platform, which undermines the entire purpose of a clear regulatory audit

(b) the addressable system being used by the distributor does not meet the requirements specified in the Schedule III or the Schedule X or both, it shall be permissible to the broadcaster to disconnect signals of television channels, after giving written notice of three weeks to the distributor."

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Comments: the proposal to grant broadcasters the right to disconnect our signals for non-compliant addressable systems (Schedule III/X). This clause is an unacceptable transfer of punitive power, allowing a commercial rival to cause immediate, massive consumer blackouts and market collapse. Technical non-compliance is a serious matter requiring the TRAI-mandated process of system remediation and sufficient time to fix deep-seated issues, not an instantaneous, disproportionate punishment that disrupts services for millions of paying subscribers.

3. In Schedule III of the principal regulations,-

(a) for item (B), the following item shall be substituted, namely:-

Regulation 15(3)(B)

"(B) Scheduling: The annual audit by distributor under sub-regulation (1) of regulation 15 shall be scheduled in the manner as specified in the said regulation."

Comments: The regulation already mandates an annual audit under Regulation 15(1). Stating that the audit "shall be scheduled in the manner as specified in the said regulation" simply reiterates the existing law without providing any new functional detail or clarification on scheduling parameters.

(c) after item (E), the following item shall be inserted, namely:-

Regulation 15(3)(F) First Proviso

(F) Infrastructure sharing cases-

1. SMS and CAS should have capability to meet all the requirements prescribed in this schedule for each distributor. Further, separate instances should be created for each distributor using shared SMS/CAS and the data between two or more distributors must be segregated in such a manner that entity wise reconciliation should be possible to be carried out between SMS and CAS.

Comments: This provision imposes a massive, unnecessary, and uncompensated Capital Expenditure on compliant DTH operators. Our existing shared infrastructure already utilizes secure, certified logical partitioning and strong encryption, which adequately segregates data to meet reconciliation needs while maximizing resource efficiency. Forcing a shift to costly "separate instances" for multiple distributors merely satisfies a rigid regulatory definition, creates operational redundancy, and would ultimately lead to higher service costs passed directly to the consumers.

Regulation 15(3)(F) Second Proviso

2. The requirement in respect of watermarking for insertion of network logo for all pay channels at only encoder end shall be applicable for infrastructure provider. The infrastructure seeker shall provide network logo through STB/middleware. However, preferably only two logos, that is, of only broadcaster and last mile distributor shall be visible at customer end.

Comments: The DTH operator (Infrastructure Seeker) is the primary service provider and network owner responsible for consumer interface and branding. The regulation should explicitly allow the DTH Network Logo to be mandatory, alongside the Broadcaster logo, as

per commercial necessity. Restricting our branding power to a non-preferred slot or limiting logo visibility interferes with our fundamental right to market and secure our network, and dilutes consumer identification of the actual service provider.

4. In Schedule X of the principal regulations,-

(a) for item (B), the following item shall be substituted, namely:-

(B) Scheduling: The annual audit by distributor under sub-regulation (1) of regulation 15 shall be scheduled in the manner as specified in the said regulation."

(b) after item (F), the following item shall be inserted, namely:-

Regulation 15(3)(G) First Proviso

Infrastructure sharing cases-

1. SMS and DRM should have capability to meet all the requirements prescribed in this schedule for each distributor. Further, separate instances should be created for each distributor using shared SMS/DRM and the data between two or more distributors must be segregated in such a manner that entity wise reconciliation should be possible to be carried out between SMS and DRM.

Comments: This requirement forces a costly and unneeded Capital Expenditure (CAPEX) on major DTH platforms. Our existing shared infrastructure employs certified logical partitioning and robust data encryption, which is technically sufficient to segregate and reconcile entity-wise data. Forcing "separate instances" for each distributor is merely satisfying a rigid regulatory definition, creates operational redundancy, and would ultimately lead to higher service costs being unfairly passed on to the end consumer.

Regulation 15(3)(G) Second Proviso

2. The requirement in respect of watermarking for insertion of network logo for all pay channels at only encoder end shall be applicable for infrastructure provider. The infrastructure seeker shall provide network logo through STB/middleware. However, preferably only two logos, that is, of only broadcaster and last mile distributor shall be visible at customer end."

Comments: As the DTH Network Operator (Infrastructure Seeker), our network logo is critical for consumer brand identification, service authentication, and piracy deterrence. The regulation must explicitly allow the DTH Network logo to be mandatorily visible alongside the Broadcaster logo. Dictating that the network logo be provided only through the STB/middleware is a technical imposition that interferes with our operational security and flexibility, and dilutes our right to effectively market and secure the DTH service we provide.

We submit that while TRAI's intent to enhance audit transparency is appreciated, several proposed amendments introduce significant operational, financial, and confidentiality challenges. We urge the Authority to consider the above comments and suggested alternatives to ensure a balanced, practical, and secure compliance framework that upholds regulatory objectives without disrupting large-scale DTH operations or compromising confidential data.

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